

Horizontal imbalances of russian federation budget system

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Abstract

© 2015, Asian Social Science. All rights reserved. The Russian Federation constituents differ not only in size and population but also in economic potential and, as a consequence, in the financial abilities to apply their budget authorities. The result is that the RF budget system features imbalances that are regulated at the federal level through equalisation transfer. This is associated with such principles of the RF budget system as unity and equality of budget laws. This paper describes the case study of horizontal imbalance of the RF budget system being a result of economic disparity of the regions: the fiscal equalisation mechanism is described and appraised for its efficiency.

Keywords

Budget system, Fiscal equalisation, Grants, Horizontal imbalance, Russia's regions